

**ASSEMBLY BILL**

**No. 2553**

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**Introduced by Assembly Member Achadjian**

February 24, 2012

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An act to amend Section 6363.3 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2553, as introduced, Achadjian. Sales and use taxes: exemption: charitable thrift stores.

Existing sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. Those laws provide various exemptions from these taxes, including, until January 1, 2019, an exemption for the sale of retail items by thrift stores operated by nonprofit organizations, if the purpose of that thrift store is to obtain funding for medical, hospice, or social services provided to individuals with HIV or AIDS by the nonprofit organization.

This bill would make a technical, nonsubstantive change to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 6363.3 of the Revenue and Taxation
- 2 Code is amended to read:

1     6363.3. (a) There are exempted from the taxes imposed by  
2 this part, the gross receipts from the sale in this state of, and the  
3 storage, use, or other consumption in this state of, used pieces of  
4 clothing, household items, or other retail items sold by thrift stores  
5 operated by a nonprofit organization if the purpose of that thrift  
6 store is to obtain revenue for the funding of medical, hospice, or  
7 social services to chronically ill individuals, and at least 75 percent  
8 of the net income derived from *the* operations of the thrift store  
9 ~~are~~ *is* actually expended for the purpose of providing medical,  
10 hospice, or social services to the chronically ill.

11     (b) For purposes of this section, “nonprofit organization” means  
12 an organization that provides medical, hospice, or social services  
13 to individuals with a chronic, life-threatening illness, as defined  
14 in subdivision (c) of Section 1568.01 of the Health and Safety  
15 Code, and is exempt from *income* taxation under Section 23701d.

16     (c) This section shall remain in effect only until January 1, 2019,  
17 and as of that date is repealed.